

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

ADJUSTMENT OF RATES OF HENDERSON-UNION)
RURAL ELECTRIC COOPERATIVE CORPORATION)
TO PROVIDE ADEQUATE REVENUES FOR ITS) CASE NO. 8397
OPERATIONS)

NOTICE OF HENDERSON-UNION RURAL
ELECTRIC COOPERATIVE CORPORATION

THAT ON THE 15TH DAY OF JANUARY 1982, IT WILL ADJUST
ITS RATES TO PROVIDE ADEQUATE REVENUES FOR ITS OPERATIONS.

O R D E R

IT IS ORDERED that Henderson-Union Rural Electric Cooperative shall file an original and five copies of the following information with this Commission, with a copy to the Attorney General's Division of Consumer Protection, by January 21, 1982. Where a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), page 2 of 5. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case will be dismissed.

1. A statement of changes in financial position for the test year and the 12-month period immediately preceding the test year.
2. A schedule of salaries and wages for the test year and each of the 5 calendar years preceding the test year as shown in Format I, attached.

3. Provide a breakdown of deferred credits of \$87,737 as shown on the balance sheet.

4. A detailed analysis of advertising expenditures during the test period. This analysis should include a breakdown of Account 913 - Advertising Expenses, as shown in Format 2, attached, and should also show any advertising expenditures included in other expense accounts. This analysis should be specific as to the purpose and expected benefit of each expenditure.

5. An analysis of Account 930 - Miscellaneous General Expenses for the test period. This should include a complete breakdown of this account as shown in attached Format 3, and also provide all detailed working papers supporting this analysis. At minimum, the work papers should show the date, vendor, reference (i.e. voucher no., etc.), dollar amount, and brief description of each expenditure.

6. A detailed analysis of contributions for charitable and political purposes (in cash or services). This analysis should indicate the amount of the expenditure, the recipient of the contribution, and the specific account charged.

7. A copy of the auditor's report from your most recent audit.

8. Provide the utility's times interest earned ratio and debt service coverage ratio, as calculated by the Rural Electrification Administration, for the test year and the 5 preceding calendar years. Include the data used to calculate each ratio.

9. Provide the utility's rate of return on net investment rate base for the test year and 5 preceding calendar years.

10. The board resolution approving the January 1, 1982, general wage adjustment and sick leave adjustment.

11. A copy of the most recent publication of the Borrower Statistical Profile for Henderson-Union Rural Electric Cooperative published by the Rural Electrification Administration.

12. A copy of Kentucky's Electric Cooperatives Operating Expense and Statistical Comparisons for 1980.

13. The date and time of the most recent annual members' meeting. Provide the number of members in attendance, the number of members voting for new board members, the number of new board members elected, and a general description of the meeting's activities.

14. A detailed analysis of expenses incurred during the test year for professional services as shown in attached Format 4, and all detailed working papers supporting the analysis. At minimum the work papers should show the payee, dollar amount, reference (i.e. voucher no., etc.) account charged, hourly rates and time charged to the utility according to each invoice, and a brief description of the service provided.

15. The work papers showing calculations supporting the medical insurance adjustment and show the increases in insurers' rates along with any documents supporting insurers' rate increase.

Explain all components used in each calculation. Provide the number of employees covered by the program and if the program covers all employees.


16. Work papers supporting any wage adjustment during the test year. The work papers should be broken down by employees, hours of straight time, hours of overtime, hourly rate of pay, total pay for the test year, and normalized test year wages.

17. A copy of the power invoices from Big Rivers for each month of the test year.

18. A comparison of actual plant additions as set out on page 20 and construction work plan cost projections for the same years. Include an analysis of the differences and the reasons for the differences.

Done at Frankfort, Kentucky, this 23rd day of December, 1981.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

ANALYSIS OF SALARIES AND WAGES

(8,000)

[illegible]

Line No.	Item (a)	12 Months Ended									
		Calendar Years Prior to Test Year									
		5th	4th	3rd	2nd	1st	Test Year				
		Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
		(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
		z	z	z	z	z	z	z	z	z	z
		(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)

7. Administrative and General expenses (continued):

- (g) Employee pensions and benefits
- (h) Franchise requirements
- (i) Regulatory commission expenses
- (j) Duplicate charges-cr.
- (k) Miscellaneous general expense
- (l) Rents
- (m) Maintenance of general plant

8. Total administrative and general expenses L7(a) through L7(m)

9. Total salaries and wages charged expense (L2 through L6 + L8)

10. Wages capitalized

11. Total salaries and wages

12. Ratio of salaries and wages charged expense to total wages (L9 + L11)

13. Ratio of salaries and wages capitalized to total wages (L10 + L11)

NOTE: Show percent increase of each year over the prior year in Columns (c), (e), (g), (i), (k), and (m).

Henderson-Union Rural Electric Cooperative Corporation

Case Number 8397

ACCOUNT 913 - ADVERTISING EXPENSE

For the 12 Months Ended September 30, 1981

(000's)

<u>Line</u> <u>No.</u>	<u>Item</u> <u>(a)</u>	<u>Sales or</u> <u>Promotional</u> <u>Advertising</u> <u>(b)</u>	<u>Institutional</u> <u>Advertising</u> <u>(c)</u>	<u>Conservation</u> <u>Advertising</u> <u>(d)</u>	<u>Rate</u> <u>Case</u> <u>(e)</u>	<u>Other</u> <u>(f)</u>	<u>Total</u> <u>(g)</u>
1.	Newspaper						
2.	Magazines and Other						
3.	Television						
4.	Radio						
5.	Direct Mail						
6.	Sales Aids						
7.	Total						

Henderson-Union Rural Electric Cooperative Corporation

Case Number 8397

ACCOUNT 930.2 MISCELLANEOUS GENERAL EXPENSES

For the 12 Months Ended September 30, 1980

<u>Line No.</u>	<u>Item (a)</u>	<u>Amount (b)</u>
1.	Industry Association Dues	
2.	Institutional Advertising	
3.	Conservation Advertising	
4.	Rate Department Load Studies	
5.	Water, and Other Testing and Research	
6.	Directors' Fees and Expenses	
7.	Dues and Subscriptions	
8.	Miscellaneous	
9.	Total	

Henderson-Union Rural Electric Cooperative Corporation

Case No. 8397

Professional Service Expenses

For the Twelve Months Ended September 30, 1981.

<u>Line No.</u>	<u>Item</u>	<u>Rate Case</u>	<u>Annual Audit</u>	<u>Other</u>	<u>Total</u>
1.	Legal				
2.	Engineering				
3.	Accounting				
4.	Other				
5.	Total				